

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

LARGE MINING OPERATIONS 2007 PROGRESS REPORT
January 1, 2007 to December 31, 2007

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: MO470064
2. Mine Name: COTTON WOOD
3. Name of Operator/Permittee: LEXCO INC.
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.
4. Mine Location: T10S R21E SEC 35 SLBM UTAH COUNTY
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:
Gross Ore Mined 12,634 Tons, or _____ yd³
Waste Material Moved _____ Tons, or _____ yd³
New Disturbance 2 Acres during 2007
Area Reclaimed 0 Acres during 2007
Total Disturbed Area 26 Acres*
Was the ore shipped off site? If not, where is the ore located? YES
Where is the waste located? _____
*Total life of mine disturbance to the end of 2007.
6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release). NONE
7. Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): JAMES M. LEXAS
Title of Operator: PRES.
Signature of Operator: _____
Date: 1/25/08

RECEIVED

JAN 29 2008

DIV. OF OIL, GAS & MINING

X 5523

SEC. 35
T10S R21E

#2 SHAFT

#1 SHAFT

WATER
DISCHARGE
POINT

MINE AREA CONTAINS
ORE BINS, HOIST HOUSE, FUEL
STORAGE, GENERATOR, PARKING,
OUTSIDE STORAGE

#3 SHAFT

COUNTY ROAD

5460

NEW DISTURBANCE
IN 2007

T 10 SOUTH

T 11 SOUTH

1"=300'

Lexco INC
COTTONWOOD
M0470064